

INTRODUCTION

Manchester is a unique opportunity for consulting in corporate management services to organizations where the focus will be on the business side. Manchester services business growth and success through comprehensive programs that focus on the business and side of consulting services from the organizational side of things. These focus on the business side of things.

Every day, Manchester provides the ability to provide human resources and the management side of things. The effort being put in is focused on the management side of things, and management side of things. Manchester is currently working on and providing business development to the business side of things, focusing on the business side of things. The management side of things is preparing the side of things for the business side of things.

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MANAGING A SUCCESSFUL TERMINATION STRATEGIES FOR CORPORATE MANAGERS

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Thinking Machines Corporation

MANCHESTER INC.
February 1993

INTRODUCTION

Manchester is a career development consulting firm specializing in corporate outplacement services to organizations which are faced with the need to reduce staff. Manchester provides individual, group and senior executive outplacement programs that lessen the disruption and cost of separating employees from the organization while guiding them through the career transition period.

Every day, Manchester consultants are asked to provide human resources and line managers with solutions to difficult issues that if unattended or mismanaged can erode organizational and management excellence. Assistance in successfully planning for and implementing employee terminations is one such service and frequent requests for assistance in performing this difficult responsibility led us to preparing this guide for use by our sponsor companies.

"Managing a Successful Termination" is designed to assist managers who are responsible for notifying employees of job termination decisions. While the information contained in this document is self-explanatory, it is only one component of Manchester's pre-termination and termination counseling service.

We hope you find these recommendations useful. Our experience tells us that when terminations are properly managed, released employees successfully gain full re-employment.

Although no one enjoys terminating employees, by acquiring these skills and combining them with caring and compassion, you can minimize an employee's discomfort and help motivate him or her toward a brighter tomorrow.

OVERVIEW OF THE TERMINATION PROCESS

Nothing is more difficult for a manager than to terminate an employee. Manchester's work in outplacement counseling over the years has given us considerable experience in this difficult area. This guide presents some principles to follow – some do's and don'ts – of the termination process.

Like any business activity, the termination process must have goals and objectives. While each situation will vary, goals common to each are to:

- . clearly inform the affected employee of the decision;
- . provide him or her with separation information;
- . introduce the outplacement process and Manchester consultant to the affected employee; and
- . minimize the potential for a negative impact on the employee's life.

This guide offers suggestions on how to best achieve these goals.

Careful planning and preparation for this meeting is essential to the success of this task. Unlike other, less emotion-laden responsibilities, part of the preparation phase includes anticipating behaviors to expect from the affected employee as well as yourself, the notifying manager. A number of logistical and practical considerations – such as ensuring that the separation letter is complete and available – are also necessary.



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Opening Statement

STATE RATIONALE FOR RELEASE

"I have difficult news. In order to optimize organization performance, we have found it necessary to eliminate certain positions. Yours is affected. We have no other position for you. I am sorry, but your employment is being terminated. You will receive severance and outplacement support."

Handling Reactions

The next stage is important; the manager must wait in silence for a reaction from the employee. Be empathic without clouding the issue.

No one response is appropriate in each of these situations. However, the following suggestions will serve the notifying manager well in most cases.

- . By your words and actions, you should convey to the affected employee that his or her individual reactions are acceptable; there is nothing wrong with a terminated employee feeling angry or passive.
- . Do not be confrontational, defensive or argumentative. Know that the decision is the best possible one for each party involved: the corporation and the individual.
- . Be a sounding board for the employee's concerns, listen, and offer your willingness to assist in the employee's outplacement and job search.

Examples follow below:

Employee: *"I can't believe this is happening to me."*

Manager: *"I know that this is a difficult moment for you and I know it's hard to believe it's actually happening, but it is happening."*

Employee: *"Why me?"*

Manager: *"Because your position was one of the ones affected in this restructuring."*

Employee: *"How about a transfer (or a lower paying job or a delay)?"*

Manager: *"Before deciding on your termination, we looked at all the possible alternatives. I'm sorry, but there are no possibilities of transfer or delay."*

Employee: *"I don't accept this at all. I'm going to the General Manager."*
 Manager: *"I would suggest first talking with Personnel. I can't stop you from going to someone else, but you should know this has been approved through channels all the way up to the General Manager."*

Employee: *"Well, I think you're discriminating against me because of (race, sex, age, etc.)."*
 Manager: *"That's not so. The reason, as I said before, is because of a reduction in staff."*

Employee: *"I'm going to sue the Company. You can't get away with this."*
 Manager: *"I'm sorry you feel that way. Ultimately, that's an action you'll have to decide for yourself; however, I hope you'll give yourself some time to review the severance package and outplacement services that we are making available to you. We really want to help you through this difficult time."*

Employee: *"How am I going to tell my wife/husband?"*
 Manager: *"It's usually best to deal with this situation honestly. You should probably tell your spouse what has happened and explain that you are eligible for severance pay and benefits and will receive help from the company in finding another job."*

Avoid the following:

- . extensive justification of the termination
- . criticism of "higher authority" for the decision or for forcing you to make it
- . arguing over past performance, old grudges, history of abuses by both sides, etc.
- . exchanging hostilities
- . derailing the conversation by a discussion of side issues

The main concept to be grasped is that you should resist getting involved in a lengthy discussion of side issues. The purpose of the meeting is for you to deliver the message and handle other necessary matters as indicated in your Notification Script. Again, this must be done with skill and compassion.

More examples of possible reactions and suggested responses can be found on the next page.

Conditions of Departure

Be brief and clear about all logistical matters such as transition of duties (projects, files, etc.), returning of Company property, removal of employee's personal property and vacating the office. Advise the employee that a Human Resources representative has been assigned to assist with any transition questions and will handle all inquiries after the employee's departure. This person is _____.

OTHER COMMON QUESTIONS AND SUGGESTED ANSWERS

1. **"Do I have any appeal procedures available?"**
The decision to terminate you has been approved by the Laboratory Manager. If you would like to discuss it, you should talk with your Personnel Representative.
2. **"Am I eligible for rehire?"**
Unfortunately, this is a permanent reduction in staff. We don't expect the opportunity for reemployment in the foreseeable future. But, you would be considered if an opening occurs for someone with your experience and qualification.
3. **"Can I have more severance?"**
No. The amount you will receive is based on our guidelines including your length of service, position in the organization, and earned vacation.
4. **"How will I get my paycheck?"**
If you have automatic deposit, that will continue. Otherwise, your check will be mailed to your home.
5. **"Will you give prospective employers a reference?"**
The Company will verify basic information such as job title and dates of employment. Talk to your Personnel Representative if you have other questions about references.
6. **"Can I see my performance appraisals/personnel file?"**
Yes. Ask to review it in a meeting with your Personnel Representative.
7. **"I think you're discriminating against me because of (race, sex, age, etc.)."**
I'm sorry that you feel that way; we really have tried to be very sensitive about this difficult decision. If you still feel this way after a few days, you might want to talk to someone in Personnel.
8. **"How do I file a discrimination claim?"**
I don't know. See your Personnel Representative.
9. **"I'm going to sue the company. You can't get away with this."**
I'm sorry you feel that way. Ultimately, that's an action you'll have to decide for yourself; however, I hope you'll give yourself some time to review the severance package and outplacement services that we are making available to you. We really want to help you through this difficult time.

COMMON REACTIONS OF TERMINATED EMPLOYEES

Reactions of employees are going to be unique and specific to the individuals concerned. Yet, as with all human conditions, there are familiar patterns of behavior that are "statistically predictable" or otherwise considered as "normal". Furthermore, these reactions generally take the form of a predictable course or service of reactions.

Losing one's job has been seen as analogous to losing a significant person through death. The amount of time and energy and "ego involvement" with our work makes this analogy not too wide off the mark. Because this is so, the patterns that human beings undergo with the loss of a job are similar to those when confronting death. There are five stages that people pass through during confrontation with such a major stressful event: denial, bargaining, anger, depression, and resolution and acceptance. It should be noted that not all stages may be noticeable or occur during the termination interview. Your familiarity with all of them will prepare you for an empathic response should they arise.

Denial is the first stage. After you deliver the message the employee may sit in stunned silence. He may say, "I don't believe it," "This can't be happening," or "You've got to be kidding." Your only response should be to gently reassure the person that it is indeed happening and that you understand it must be difficult. Actually, it is probably not coming as a surprise -- they may allude to that -- but under the stress of hearing the words and knowing that the time is at hand, some employees try to block it out. Do not spend a great deal of time with this point; as the interview goes forward, the shock will begin to wear off.

Bargaining is the second stage and quickly follows denial. A person may say, "Couldn't I be transferred," "There are a lot of guys that should be let go before me," and "Just give me a couple of more months" Your response should be firm, with no encouragement to the notion of an eleventh hour reprieve. Although this sounds harsh, attempts to "soften the blow" or "waffling" only serve to cloud the issue and fan the fires that may follow in the next stage.

That next stage is hostility and anger. No one likes to suffer a loss. Even if the employee was unhappy in his present job, at least it was the "devil he knew" not the "devil he doesn't know." Many managers expect great hostility. In fact, there is very little "uncontrolled" anger. There may well be some anger expressed, however, and if not during the session, then later on. The key to dealing with this situation is to acknowledge that the person is upset, that you don't expect him to agree with the decision, but that there is no point in getting into a heated discussion about it since the end result is to be the same. It is particularly important that you not get drawn into justification of the action being taken, siding and commiserating with the employee against the "higher-ups," or having a pitched battle over old grievances on both sides. Remain calm and keep the discussion moving through the points that need to be covered. The outplacement consultant is professionally trained to handle the natural anger that the employee will feel.

The fourth stage is depression. As the fact sinks in that there is no last minute reprieve forthcoming, the person quite often becomes depressed. Tears and solemn silence are noticeable. Again, words of empathy may be expressed, but the interview should not be overly delayed. Frequently, this stage is not arrived at until a day or two after the interview. The outplacement consultant will handle it.

Finally, there is the stage of acceptance and resolution. Statements such as "Where do we go from here," "What's my next move, then," etc. are signs that the message has been integrated and the person is ready for the next phase or action to begin in his career – namely outplacement. This stage should not be confused with false bravado statements such as "Well, I'm OK and I know exactly what I'm going to do," "I don't need this job anyway," etc. These statements are those of stage one and fall under the category of denial. True acceptance occurs when the person has come to grips with the feelings of loss and usually takes from two days to two weeks or longer. Counseling by a professional can help to shorten the time frame necessary to reach this final stage.

One other reaction should be noted as being common. That is relief. As we said earlier, most people know that something is in the wind and when the final meeting is held, experience quite a relief that it is over. Often, they have been "waiting for the second shoe to drop," and the fact that they are now able to move forward with planning for their next career step is a release of all that tension. Don't be surprised if this is the case.

AGENDA

FOLLOW-UP MEETING WITH NON-AFFECTED EMPLOYEES

It is essential that departmental managers arrange to meet with the remaining employees once the termination meeting(s) have been completed. These employees will be concerned mainly with their own job security and secondly, with the fate of the co-workers who have been released. It is most important to maintain a high degree of communication at this time.

A suggested meeting format for this very important and sensitive meeting is as follows:

Acknowledge position eliminations

If there are no more projected terminations, the manager could state that as far as he/she is aware, this is it. Managers should strive to dispel any incorrect perceptions about what has just taken place and reinforce with positive comments while underscoring a need to "move on."

Summarize separated employees' reactions

Managers should emphasize that separated employees will be okay and mention the fact that these employees received a severance package that included outplacement counseling to assist them in moving into a new job or career as quickly as possible.

Explain changes in reporting relationships or change in responsibilities

Managers should address any change(s), departmental or company-wide, in as clear and direct manner as possible in order to ward off irrational fears, concerns, etc.

Discuss the impact of reductions on long-term strategy and share the future strategy of the company

Managers need to demonstrate how Non-Affected Employees are valued and how essential they are to achieving specific objectives. They should outline, whenever possible, what they see in the future regarding projects, individual opportunity for growth, etc.

Allow Question and Answer period

Close the meeting with a statement of support

Managers need to be mindful of the control issue and the Non-Affected Employees' need to feel in charge of their own destinies again. It is essential to emphasize how valued they are and tell them that the company will help them adapt to any new roles or responsibilities they now have.

Managers need to recognize that Non-Affected Employees can/need to go through a real grief or recovery process, especially during the first two days of reductions. However, guilt dissipates fairly quickly, particularly when reductions have been handled with as much dignity as possible and when remaining employees are aware of the quality of services provided by the organization to separated employees.

TERMINATION NOTIFICATION STRATEGY CHART

BEFORE

- Schedule the meeting early in the week. Avoid Fridays, pre-holidays, and vacation times.
- Never inform an employee over the phone.
- Make sure the employee keeps the appointment time.
- Ten minutes should be enough time to allow for notification.
- Use a neutral site. Never your own office.
- Prepare in advance: severance letter, agreements, release announcement and personnel file.
- Have phone numbers ready for medical, security emergencies.
- Arrange transportation home for the employee, if needed.
- Assure that highest authority is aware of the termination.

DURING

DO'S

- Keep it short and to the point (5-10 minutes).
- Display empathy and show you care.
- Be firm and honest, but allow employees their say.
- Emphasize the following:
 - The decision is final and irrevocable.
 - Alternative in-house positions were explored.
 - All management levels concurred with the decision.
 - All relevant factors were carefully reviewed (performance, re-organization, work-load, etc.)

DON'TS

- Don't sympathize and become an ally of the employee.
- Don't interrupt or "talk over" the employee.
- Don't respond to the employee's wish to see a lawyer. That is the employee's prerogative.
- Don't discuss the situation of any other employee.
- Don't take longer than 10-15 minutes.
- Bring the employee to the counselor who is at a neutral site nearby.
- Keep some time available to meet with counselor after meeting with employee.

BEHAVIORAL REACTION

CRYING AND SOBBING

UNDERLYING FEELINGS

- SADNESS
- GRIEF
- WORRY

YOUR RESPONSE

- Allow the person the opportunity to cry. If that occurs, just offer some tissues.

- Avoid inane advice like "What are you crying about. It's not that important."

- When the person regains composure, press on with the facts and explain the counseling process.

STOIC

- SHOCK
- DISBELIEF
- NUMBNESS

- Communicate to the employee that you recognize his or her shock, and say the details can be handled later if the employee prefers.

- Ask if there are any specific questions for the moment. If not, tell the employee about the career counselor and make the introduction.

FORMAL AND PROCEDURAL (LAWSUIT)

- VENGEFUL
- SUPRESSED
- CONTROLLED

- Allow the employee freedom to ask any questions as long as they apply to his/her own case.

- Try to avoid side issues and discussion of "political" motivations.

- Keep the tone formal. This is a good way to lead into the role the career counselor will play.

DEFENSIVE AND BARGAINING

- GUILTY
- AFRAID
- UNCERTAIN
- DISBELIEF

- Let the employee know you realize this is a difficult time for him or her, as well as for yourself.

- Don't get involved in any bargaining discussions.

- Offer reassurances about the future, and connect this to the counseling process.

HOSTILE AND ANGRY

- HURT
- ANGRY
- DISAPPOINTED
- RELIEF

- Summarize what you hear in a tentative style: "It sounds like you are pretty angry about this."

- Avoid confronting the anger or becoming defensive.

- Remain objective. Stick to the facts and give employee helpful information.

